

GREGORY S. BELL Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA Division Director

> **Inspection Report Minerals Regulatory Program**

March 16, 2010

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Permit Number: M/019/0005

Operator Name: Intrepid Potash-Moab LLC	Inspection Date: March 11, 2010		2010
Inspector(s): T Munson	Time: 8 AM-9AM Mine Status: active		
Other Participants: Rick York			
Elements of Inspection	Evaluated	Comment	Enforcemen
1. Permits, Revisions, Transfer, Bonds			
2. Public Safety (shafts, adits, trash, signs, highwalls)			
3. Protection of Drainages / Erosion Control		**	
4. Deleterious Material			
5. Roads (maintenance, surfacing, dust control, safety)			
6. Reclamation			
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts)			
8. Soils			
9. Revegetation			

Fees: current **Bond Amount:** \$6,266,800

Purpose of Inspection: Bond Escalation

Mine Name: Cane Creek Potash Mine

Inspection Summary:

The site was active at the time of inspection. The purpose of the inspection was to discuss the escalation of the bond. The bond escalation date was 02/15/2010. Mr. York discussed the use of Shaw Environmental to update the bond costs and put them in Division bonding format. Elliot was the name of the construction company who Intrepid used to demolition a plant in New Mexico. Mr. York stated that he felt they would be a good choice to come up with an estimate for an updated plant demolition bonding cost. Time frames were discussed and it was determined that this would depend on Shaw's availability. I requested that any updates to facilities, wells, etc. would need to be added to the plan. Five new wells have been added to the site. The Depart of Environmental Quality, UIC program, bonds the injection wells. Mr. York emailed a copy of their most recent permit to me. Photos were taken to document site conditions.

Conclusions and Recommendations:

The site will be inspected when the snow melts and the area drys up.

Inspector's Signature

TM:vs

cc: Intrepid Potash, HWY 279 Potash road, PO Box 1208, Moab, UT 84532

